STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF: Karen S. Revelle, Brett K. Revelle, Joseph J. Revelle, and

) File Number 1000216

Revelle Resources Inc., its partners, members, officers, directors, agents, employees, affiliates, successors, and assigns.

CONSENT ORDER

TO THE RESPONDENTS:

Karen S. Revelle Revelle Resources Inc. 275 Hickory Point Court Forsyth, Illinois 62535

Brett K. Revelle 538 Woods Creek Lane Algonquin, Illinois 60102

Joseph J. Revelle 2456 Waterleaf Lane Woodstock, Illinois 60098

WHEREAS, Respondents Karen Revelle, Brett K. Revelle, Joseph J. Revelle and Revelle Resources Inc. and their/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, ("Respondents"), on the 8th day of October, 2012, executed a certain Stipulation to Enter Consent Order (the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Karen Revelle, Brett K. Revelle, Joseph J. Revelle and Revelle Resources Inc. and their/its partners, members, officers, directors, agents, employees, affiliates, successors and assigns, have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, issued June 1, 2012 (the "Notice") and Respondent has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

- 1. Karen S. Revelle ("Respondent Karen Revelle" or collectively with Respondents Brett K. Revelle, Joseph J. Revelle and Revelle Resources Inc., "Respondents") is a natural person. His last known business address is in Forsyth, Illinois.
- 2. Brett K. Revelle ("Respondent Brett Revelle" or collectively with Respondents Karen Revelle, Joseph J. Revelle and Revelle Resources Inc., "Respondents") is a natural person. His last known business address is in Forsyth, Illinois. His last known business address is in Forsyth, Illinois.
- 3. Joseph J. Revelle ("Respondent Revelle" or collectively with Respondents Brett K. Revelle, Karen Revelle and Revelle Resources Inc., "Respondents") is a natural person. His last known business address is in Forsyth, Illinois.
- 4. Revelle Resources Inc., ("Respondent Revelle Inc." or collectively with Respondent Revelle, "Respondents") is an Illinois corporation. Its last known address is in Forsyth, Illinois.
- 5. Respondent Revelle Resources Inc. is an oil exploration and development company in Illinois.
- 6. Respondent Karen Revelle is the President of Respondent Revelle Resources Inc. at all relevant times herein.
- 7. Respondent Brett Revelle is the Director of Operations and Vice President of Respondent Revelle Resources Inc.
- 8. Respondent Joseph Revelle is the Sales/VP of Respondent Revelle Resources Inc.
- 9. Respondents offered and sold undivided working interests in oil and gas leases; specifically wells known as Harley #22 and Bell Brothers #4 (the "Product").
- 10. Respondents offered the product through a general solicitation of cold calling and mailings.
- 11. Respondents sold the product to accredited and non-accredited investors.
- 12. Respondents sold the product from Illinois to investors residing in the State of Illinois and outside of the State of Illinois.

- 13. Respondents paid salespersons commissions 50% of the money that the investors supplied the Respondents.
- 14. Respondents failed to disclose to investors that their 50% investment money was used to pay sales commissions.
- 15. Respondents failed to segregate the investment money and pooled the money from investors of Harley #22 and Bell Brothers #4 wells, and only used the money to drill the Harley #22 well.
- 16. Respondents used the money invested from the Bell Brothers #4 investors for other purposes.
- 17. Respondents failed to disclose to investors that money for the Bell Brothers #4 well was used for other purposes and comingled with the money to drill the Harley #22 well.
- 18. Respondents failed to tell investors that the States of Texas and Oklahoma have Orders against them, prohibiting the Respondents from offering or selling securities.
- 19. Respondent made material misstatements regarding the drilling of Bell Brothers #4 well.
- 20. Respondents used the money invested in BB#4 well for other purposes.
- 21. Respondents failed to disclose to investors that they were prohibited in other jurisdictions.
- 22. That by virtue of the foregoing the Respondents have violated Section 12. F, G and I of the Act.
- 23. That pursuant to Section 11.E. 2 and 4 of the Act, the Respondents are subject to an Order of Prohibition, a fine and an order of Censure.

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That by virtue of the foregoing, the Respondents have violated Sections 12.F, G and I of the Act; and

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2. That by virtue of the foregoing, the Respondents are subject to an order which permanently prohibits the Respondent from offering or selling securities in the State of Illinois, to a fine of up to \$10,000 per violation and Censure.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

- 1. The Respondents shall be permanently prohibited from offering and selling securities in the State of Illinois except in compliance with the Act:
- 2. That Respondents have paid the completion costs, as that term is defined by the Bell Brothers #4 Operating Agreement, for the Bell Brother # 4 Well and that no costs shall be charged by them for completion costs to existing or any future investors in this Well.
- 3. That Respondents shall retain a third party, not objectionable to the Department, to monitor and make distributions of investors' payments for all current and producing wells for which the Respondents have investors at the Respondents' expense within thirty days of the entry of this Consent Order. The Respondents shall retain a third party monitor for as long as they have wells that are economically producing for which they have investors in these same wells. Also, within thirty days of the Consent Order, the Respondents shall provide proof to the Department that they have retained a third party monitor.
- 4. That the Respondents shall forego receiving any payment of their interests (overriding, working or other interests) in the Hartley #22 and Bell Brothers #4 Wells (the Wells) but rather shall direct these interest payments to be distributed by the third party monitor to the investors, pro-rata, until payments of \$50,000 from these interest payments which would otherwise be due the Respondents are made to the investors or the Wells become economically non-viable and/or depleted. In the event, that one or both Wells stop producing because they are economically non-viable and/or depleted and less than \$50,000 in payments, as described above, have been paid, the Respondents shall pay and be credited against the \$50,000 in payments described above any well capping or abandonment costs.
- 5. That a copy of a letter attached as exhibit b shall be mailed at Respondents' expense to the investors in the Hartley #22 and Bell Brothers #4 well within thirty days of the entry of this Consent Order.

CONSENT ORDER

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- 6. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions of the Stipulation herein.
- 7. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 12 had day of October, 2012

Besse White
JESSE WHITE
Secretary of State

State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. I, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State: David Finnigan 300 W Jefferson St., Suite 300A Springfield, Il 62702